(b) whether all companies are required to compulsory state in their balance sheet the amount of foreign exchange spent and earned;

(c) if so, the reasons therefor; and

(d) the action being taken or proposed to be taken against those companies which are not losers in foreign exchange?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Under the New Industrial Policy, companies receiving fresh approval for foreign equity are at present required to balance the dividend payments by export earnings over a period of time. The condition of dividend balancing is also required for all existing companies receiving approval for enhancement of foreign equity upto 51%.

(b) According to section 217 of the companies Act, 1956, Companies are required to attach to every balance sheet a report by its Board of Directors on foreign exchange earnings and outgo.

(c) The requirement for dividend balancing was introduced in view of the difficult Balance of Payments position facing the country when the new industrial policy was announced last year and the consequent need to use all means available to encourage exports. Government has indicated that as the balance of payments position improves the dividend balancing requirement would be reviewed. The requirement indicated in (b) was introduced to highlight export performance of companies in the Directors Report and thus emphases the importance of exports.

(d) Repatriation of profits/dividends is allowed without restrictions. However, under the new policy, payments of dividends will be monitored through the Reserve Bank of India so as to ensure balancing by export earnings in cases of fresh foreign investment approvals and enhancement of foreign equity.

House Building Loans by Lic

*156. SHRI RAJNATH SONKAR SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) the number of applicants who applied for house building loans and those who were granted loans by the Life Insurance Corporation during each of the last three years;

(b) the criteria for granting such loans; and

(c) the steps taken to simplify the procedure to sanction such loans by financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c). A Statement is laid on the Table of the House.

STATEMENT

House Building loans are advanced by the LIC and LIC Housing Finance Limited (LIC HFL), a subsidiary of the LIC, to the policy holders under various schemes and to non policy holders under LIC Property Mortgage Scheme. The number of applicants and those who were actually granted loans in the last three years are as under:-

Financial Year	*No. of applicants who applied for loans*	*No. of applicants who were granted loans*
1988-89	25,059	20,622
1989-90	45,946	42,501
1990—91	58,638	52,076

The basic criteria for granting house building loans are availability of amenities such as water supply, electricity, sanitation etc. in the Centre concerned; the age and repayment capacity of the applicant; clear and marketable title to the property; and the assignment of the Policy on life by the applicant as collateral security. The procedures to sanction loans by the LIC are constantly under review. In the recent past, the procedure has been simplified to grant loans even for purchase of flats/houses under construction; to sanction loans by creating an equitable mortgage/charge by depositing the title deeds; to dispense with legal investigation of title in case where lease deed is executed directly by a Government body; and to augment the Administrative/financial powers of the Area Managers to grant loans upto Rs. 5 lakhs to the prospective borrowers.

Roads in East Coast Areas

*157. DR. SHRIMATI K.S. SOUNDARAM:
SHRI K. RAMAMURTHEE TINDIVANAM:

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the progress made so far in laying the roads in east coast areas;

(b) the amount sanctioned for the purpose during each of the last three years; and

(c) the target date for completion of the work?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (c). A statement is laid on the Table of the Sabha.

STATEMENT

(a) to (c). The Honourable Members are presumably referring to the coastal road in Tamil Nadu between Madras and Kanyakumari. This is not a National Highway but is a State road and the responsibility for developing the road is that of the State Government. The Asian Development Bank has provided a loan assistance not exceeding US $ 23.12 million to the Government of Tamil Nadu for development of Madras-Cudalore Section of coastal Road in Tamil Nadu. The financial provision for this scheme is made by the State Government in the State Budget. This work has been started by the State Government in April, 91 and a sum of Rs. 6.74 crores have been spent upto December, 91. The scheme is being implemented by the State Government who have intimated that the estimated completion date of the scheme is May, 1995.

NRI Investments in Corporate Sector

*158. SHRI K.V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of the Government to permit the Non-Resident Indian's remittances to the corporate sector in India as is being allowed for the banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Indian companies are already permitted to accept deposits both on repatriation and non-repatriation basis. Deposits on a repatriation basis can be made by NRI depositors if the funds are placed for a period of three years and the amount to be accepted is approved by the Reserve Bank of India in individual cases. The foreign currency remittances in all such cases should be routed through the banks authoriesed to deal in foreign exchange or through the NRE/FCNR accounts of the depositor. Deposits can also be made by NRIs on a non-repairable basis